Article from

Predictive Analytics and Futurism
December 2015
Issue 12

Chairperson's Corner: In Good Company

By Brian Holland

A few years ago the data science revolution captured the public interest and actuaries' attention. It has even inspired excitement, trepidation and self-questioning. Who are these cool new data scientists? Can actuaries be data scientists too? Wait, wait—are data scientists the same as statisticians? Some data scientists also wonder who we are, and whether we know support vector machines from k-means. I've tried to explain what we do and I describe us as:

Actuary = MBA – most case studies + more statistics + financial risk + sector experience.

This self-examination is tough, but at least we're not alone. We're in very good company with other professions. Attorneys are faced with software to perform automated discovery of documents and emails. Physicians are faced with computational tools supplementing or replacing judgment, such as anomaly detection in scans. For example, I stumbled across *Mathematical Oncology 2013*, a book highlighting developments in a field I'd never imagined. Cooperation is clearly essential between specializations.

To serve our constituencies, do we focus on continuing education in analytics beyond the fellowship level, or partnering with specialists in data science? The answer must be both. Actuaries have a broad exposure to financial markets, the legal environment, and statistics, but we're not also quants, lawyers or statisticians, apart from a few special individuals. We partner up, as we will with data scientists to get to the end: profitable business in a secure system. As for continuing education, the Predictive Analytics and Futurism Section is here to provide specialized content, application, and community beyond the actuarial exams.

Building a community takes time and effort. Our community has benefitted from the time and efforts of several talented individuals whom I'd like to thank for the excellent position in which they're leaving the council as their terms end: Doug Norris, Dave Snell, and Richard Xu. Doug, our outgoing chairperson, has led us through our own rebranding initiative; provided focus and en-couragement for our efforts to create content: the LinkedIn group, SOA meeting sessions, webcasts, our first lunch-and-learn; and generally figured out how time-strapped volunteers can best organize themselves. Dave has presented on webcasts and meeting sessions and edited our newsletter, the main channel for serving members. Thankfully, he will stay on as editor. Richard regularly contributed to the newsletter and SOA sessions and also research. I think right away of the post-level-term study published in 2014. Fortunately for us, they will remain as friends of the council and volunteers, as have past councilors. Ian Duncan, our outgoing SOA board partner, has truly been a partner in keeping a sharp focus and serving our members.

A few words are in order on renaming our section. Our section's efforts have focused for some time on popularizing analytic methods—just review the last several years' newsletters. These methods are applied beyond forecasting. So, with the SOA's support, we've changed our section's name to Predictive Analytics and Futurism to convey our focus when we choose sections. Futurism stays in the name because there are paradigm shifts that wash over predictions and render them obsolete.

I pondered one potential paradigm shift: whether actuaries would even choose assumptions in 10 years. Then I remembered the public emergence of quants in the early '90s. Actuaries had no small amount of interest in these high-flying mathematical risk gurus, with similar questions about sharing the work and expanding our skills. Facing yet another paradigm shift, we will adapt again. We will partner with data scientists and statisticians, some of us will be both, and others will be some of each. The Predictive Analytics and Futurism Section is here when we want to grow and connect. We're in good company with each other in a vibrant, learning and applying community. Please play an active part by attending sessions at SOA meetings, webcasts, joining our LinkedIn forum, and contributing to the newsletter. ■

Brian D. Holland, FSA, MAAA, is director and actuary, of Life and Individual A&H Experience Studies at AIG. He also serves as chair of the Predictive Analytics and Futurism Section Council. He can be reached at *brian.holland@aig.com.*